

# MEMORANDUM

Agenda Item No. 8(M)(1)

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**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners


**DATE:** November 5, 2013

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Resolution authorizing Historic  
Preservation Ad Valorem Tax  
Exemption for the rehabilitation  
to 4441 Collins Avenue, Miami  
Beach, Florida

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The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

  
\_\_\_\_\_  
R. A. Cuevas, Jr.  
County Attorney


RAC/lmp

# Memorandum



**Date:** November 5, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Historic Preservation Ad Valorem Tax Exemption for  
4441 Collins Avenue, Miami Beach, FL, "The Fontainebleau Hotel"

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## **Recommendation**

It is recommended that pursuant to the provisions of Florida Statute Section 196.1997 and 196.1998 and Miami-Dade County Ordinance 16A-18 that the Board of County Commissioners (Board) approve the resolution for the Ad Valorem Tax Exemption for the property located at 4441 Collins Avenue, Miami Beach, FL.

## **Scope**

This property is located within Commission District 5 – Commissioner Bruno A. Barreiro. However, the impact of the agenda item is countywide and does not have a separate impact upon one or more commission districts.

## **Fiscal Impact/Funding Source**

The portions of taxes that will be exempted if this application is granted are estimated at \$389,626. (Calculations are provided by the Property Appraiser; see the attached "Revenue Implications Report").

The approval of this application does not provide a complete exemption of all taxes on the property. The exempted portion is based on the how much the property value increased, due to the renovation. For the ten-year abatement period, the County will continue to collect taxes on the property using property values previous to the renovation. Following the ten-year abatement period, the County will collect taxes on the full value of the property, including the renovation.

## **Track Record/Monitor**

Mark Woerner, Assistant Director of Planning in the Department of Regulatory and Economic Resources will be responsible for implementation. County Historic Preservation staff or the Preservation Officer of the municipality in which the property is located will conduct periodic reviews of the property to insure that the improvements are maintained for the duration of the tax abatement.

## **Background**

**Enabling Legislation:** In 1993, the State legislature approved Tax Exemptions for historic properties and enabled local governments the option to provide this property tax exemption for eligible historic properties.

The purpose of this legislation is to encourage the preservation of historic buildings by offering an economic incentive to those property owners who take on the responsibility of restoring and maintaining a designated historic structure. The exemption is not for the entire assessed value of the property. The tax exemptions are calculated from what the value of the renovations to the historic property were, and only apply to the countywide portion of the property's tax bill. An exemption may also be granted on the municipal portion of the property tax bill if approved by the relevant municipality.

All applicants must meet certain criteria as set forth by the Florida Department of State, Division of Historical Resources in order for a tax exemption to be allowed, including:

- Certification that the property has been designated historic (by the applicable preservation board)
- Certification that the property has received approval for the improvements (by the applicable preservation board)
- A determination that the planned improvements are consistent with the Secretary of the Interior's Standards for Rehabilitation.

Duration: The tax exemption takes effect on January 1 following substantial completion of the improvement and extends for a ten-year period. Failure by the owners to adhere to these standards would result in revocation of the exemption.

Project Details: The Fontainebleau Hotel is listed in the National Register of Historic Places; it is also a contributing property within the Morris Lapidus Mid-Century Local Historic District.

The Fontainebleau Hotel is one of the crown jewels of mid-century architecture in Miami Beach, designed by the architectural master Morris Lapidus. The Lapidus' portion, referred to as the Chateau, was built between 1953 and 1954. The Chateau is the original hotel and is of primary historic significance.

A second building, called the North Tower, was designed by A. Herbert Mathes and was constructed five years later, between 1958 and 1960. For the purposes of the ad-valorem tax exemption, the focus will be on the rehabilitation of these two historic buildings, and not to any of the other subsequent buildings that have been constructed on the property.

Planning for the project started in 2005. Extensive rehabilitation to the exterior included:

1. Windows and concrete spandrel panels along the entire length of the crescent level of the Chateau were repaired and replicated where replacement was necessary due to deteriorated conditions.
2. At the northern end of the crescent, the dramatically altered cabanas and non-original kiddie pool were removed.
3. The original hotel Chateau entrance at the pedestal level of the west (main) façade, including the revolving glass doors, as well as the original glass wall were preserved and restored. The non-original valet booth was removed from beneath the canopy of the original covered walkway, and an ADA-accessible ramp was re-configured to meet current Code requirements with the stairs south of the ramp being reduced in width.
4. The original Morris Lapidus designed porte-cochere at the main hotel entrance as well as the original A. Herbert Mathes designed porte-cochere were both restored on the pedestal level of the west façade.
5. The non-original elevated terrace addition and exterior stairs (c. 2004) located at the east side of the main lobby were removed and included the reconstruction of the Lapidus designed stairs, a "wave-shaped" entry canopy and a continuous eyebrow.

Extensive rehabilitation to the interior included:

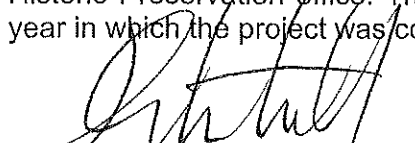
1. The surviving defining architectural features of the Morris Lapidus designed main lobby were retained and restored. Missing and damaged portions of the original marble bow tie flooring were replicated and reintroduced according to exact specifications available from historical documentation, and islands of carpet were reintroduced according to original design.
2. The original wall panel design with individual rectangular shapes was maintained and recreated where missing. The ceiling was replaced; the louvers and lighting restored in the column coves, and the chandelier coves were restored to the original design. The row of marble columns closest to the entry was repaired where damaged. Non-original faux marble cladding was removed from the second row of columns and replaced with natural black and white marble to match the original design. The non-original stairs were repaired and refinished with white marble. A new clear glass railing with an etched pattern was installed in the place of the metal safety railing.
3. The registration desk was recreated and reintroduced in its original location. The glazed west wall was preserved and the original Fontainebleau bronze door pulls were refinished. The mirrored columns were repaired and restored.
4. The original "Stairway to Nowhere" was repaired and restored, along with the marble planter below the stair.
5. The non-original glass block wall was removed from the Mezzanine and the original low 'railing' wall was recreated. The original lighting coves were restored.
6. The red marble of the elevator wall at the northern end of the Lobby was restored. Non-original elevator doors were replaced with polished nickel doors with an etched pattern. The original marble flooring was restored and the elevator cabs were replaced.
7. At the north end of the main lobby, the non-historic registration desk and offices along the outer wall were removed. The original marble flooring was restored and replaced where missing or damaged. The columns and stairs were restored along with the original ceiling features.
8. The Garden Lobby was restored and rehabilitated. The non-original single skylight was removed and five new round skylights were reintroduced according to historical documentation. Original columns within the Garden Lobby were covered with glass tiles to match original cladding. The curvilinear ceiling design was repaired and restored.
9. The stairs and ramp located at the Southern end of the Main Lobby were repaired and the metal railings were replaced with new clear glass railings.
10. The Fontaine Ballroom and Fleur de Lis Room were rehabilitated to their original grandeur. The stairs were removed due to excessive damage; however, the original recessed lighting domes were restored or replicated where damaged. The stage was restored and retained in its original location.

11. The upper floors of the Chateau were reconfigured to meet current fire code ratings.

12. All guest rooms were fully renovated while maintaining the original room sizes. New fire doors were installed to replace non-original doors.

The tax exemption calculation focuses on the restoration work to the two historic buildings, the original Morris Lapidus building and the North Tower, and the rehabilitative work found therein, in accordance with the reviews done by the Miami Beach Planning Department, and does not extend to other portions of the current Fontainebleau property, including newer auxiliary buildings.

Overview of the Application Process: Part I of the application must be submitted prior to construction. When the project is completed, the owner/applicant must submit the Part II of the application, and a signed covenant. The local preservation officer must also review and authorize the work. The item can then be placed on the County's Historic Preservation Board agenda. The Property Appraiser prepares the Revenue Implications Report when they consider the project substantially complete, and provides this report to the County Historic Preservation office. The tax exemption is calculated using the millage rate for the year in which the project was completed.

  
\_\_\_\_\_  
Jack Osterholt, Deputy Mayor



# MEMORANDUM

(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** November 5, 2013

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(M)(1)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(M)(1)  
11-5-13

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING HISTORIC PRESERVATION  
AD VALOREM TAX EXEMPTION FOR THE  
REHABILITATION TO 4441 COLLINS AVENUE, MIAMI  
BEACH, FLORIDA PURSUANT TO SECTION 196.1997, AND  
196.1998 FLORIDA STATUTE AND SECTION 16A-18,  
MIAMI-DADE COUNTY CODE

**WHEREAS**, the Florida Legislature has authorized counties and local governments to grant tax exemptions to historic properties for the incremental value added by approved restoration work, provided that the owner covenants to maintain the historic nature of the property during the term of the tax exemption; and Miami-Dade County has enacted enabling legislation to provide such exemption, codified at section 16A-18, Miami-Dade County code; and

**WHEREAS**, the hotel located at 4441 Collins Avenue, Miami Beach, Florida was locally designated as a contributing structure in a historic district in Miami Beach, and is listed on the National Register of Historic Places; and

**WHEREAS**, the Miami-Dade County Historic Preservation Board recommended that the exemption be allowed and certified to the Board of County Commissioners that 4441 Collins Avenue, Miami Beach, Florida is a designated structure and that the proposed improvements are consistent with the United States Secretary of the Interior's Standards for Rehabilitation and meet the criteria established in the rules adopted by the Department of State; and

**WHEREAS**, the property owner(s) have executed the necessary covenant, which is attached and made part of this resolution,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board finds that this property meets the requirements of section 16A-18, Miami-Dade County code and therefore the application for a historic preservation tax exemption, pursuant to those provisions, is hereby granted to the owners of 4441 Collins Avenue, Miami Beach, FL. The County shall have recorded the original of the attached covenant with the deed for the property in the official records of Miami-Dade County, and the property owner and Miami-Dade County hereby accepts the covenant. The exemption shall run for ten years beginning on January 1st following substantial completion of the improvements. The County Mayor or his designee is hereby authorized and directed to sign the attached covenant on behalf of Miami-Dade County. If any section, subsection, sentence, clause or provision of this resolution is held invalid, the remainder of this resolution shall not be affected by such invalidity.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez



The Chairperson thereupon declared the resolution duly passed and adopted this 5<sup>th</sup> day of November, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



John McInnis

**HISTORIC PRESERVATION EXEMPTION  
PROPERTY TAX ASSESSMENTS / REVENUE IMPLICATIONS**

Property Address: 4441 COLLINS AVE  
Folio # 02-3223-002-0010

	2009 Estimate
1. Total Value of the Property	\$220,000,000
2. Value of the Improvements to the Property (The change in value due to the renovation as determined by the Property Appraiser):	\$80,536,255
3. Summary of annual taxes levied on these improvements ( Taxes = value change x 2009 millage):	\$1,656,703
a). Countywide Operating	\$389,626
b). Unincorporated Municipal Service Area	\$0
c). Debt Service	\$22,953
d). City Operating	\$455,473
e). All other property taxes	<u>\$788,651</u>
	\$1,656,703    Total taxes

**County Revenue Implications**

Annual taxes to be foregone if this Historic Preservation  
Exemption application is granted (estimate).

a) County	\$389,626
b) UMSA	\$0

Date: 8/3/2012

Signed:   
Property Appraiser

MIAMI-DADE COUNTY

**HISTORIC PRESERVATION PROPERTY TAX EXEMPTION COVENANT**

This Covenant is made on the \_\_\_\_\_ day of \_\_\_\_\_, 2013,  
by The Fontainebleau Hotel, Fontainebleau Resorts, LLC, (hereinafter referred to as the Owner)  
and in favor of \_\_\_\_\_ MIAMI-DADE COUNTY \_\_\_\_\_, (hereinafter referred to as the Local  
Government) for the purpose of the restoration, renovation or rehabilitation, of a certain  
Property located at 4441 Collins, Miami Beach, FL

which is owned in fee simple by the Owner and is listed in the National Register of Historic  
Places or locally designated under the terms of a local preservation ordinance or is a  
contributing property to a National Register listed district or a contributing property to a  
historic district under the terms of a local preservation ordinance.

The areas of significance of this property, as identified in the National Register nomination or  
local designation report for the property or the district in which it is located are  
XX architecture, \_\_\_\_\_ history, \_\_\_\_\_ archaeology.

The Property is comprised essentially of grounds, collateral, appurtenances, and improvements.  
The property is more particularly described as follows: (include folio number and legal  
description, consisting of repository, book, and page numbers) \_\_\_\_\_

Folio # 02-3223-002-0010

Legal Description: Lot "A" and Lots 1 and 2 and the South ½ of Lot 3, of Amended Plat of "the  
Indian Beach Corporation's Subdivision," according to the Plat thereof, recorded in Plat Book 8,  
page 61 of the public records of Dade County, FL

In consideration of the exemption granted by the Local Government, the Owner hereby agrees to the following for the ten-year period beginning on January 1st after the improvements are substantially completed:

1. The Owner agrees to assume the cost of the continued maintenance and repair of said Property so as to preserve the architectural, historical, or archaeological integrity of the same in order to protect and enhance those qualities that made the Property eligible for listing in the National Register of Historic Places or designation under the provisions of the local preservation ordinance.

2. The Owner agrees that no visual or structural alterations will be made to the Property without prior written permission of the Local Historic Preservation Office.

The address of the certified Local Historic Preservation Office with review jurisdiction is:

Name of Office/Agency: City of Miami Beach Planning Department

Address: 1700 Convention Center Drive

City: Miami Beach Zip: 33139 Phone: 305-673-7550

Contact Person: Debbie Tackett Title: Senior Planner

Email: dtackett@miamibeachfl.gov

3. (Only for properties of archaeological significance) The Owner agrees to ensure the protection of the site against willful damage or vandalism. Nothing in this Covenant shall prohibit the Owner from developing the site in such a manner that will not threaten or damage the archaeological resource, provided that permission for alteration of the site is obtained pursuant to 2. above.

4. The Owner agrees that the Local Historic Preservation Office and appropriate representatives of the Local Government, their agents and designees shall have the right to inspect the Property at all reasonable times in order to ascertain whether or not the conditions of this Covenant are being observed.

5. In the event of the non-performance or violation of the maintenance provision of the Covenant by the Owner or any successor-in-interest during the term of the Covenant, the Local Historic Preservation Office will report such violation to the Property Appraiser and Tax Collector who shall take action pursuant to s.196.1997 (7), F.S. The Owner shall be required to pay the difference between the total amount of taxes which would have been due in March in each of the previous years in which the Covenant was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in s.212.12(3),F.S.

6. If the Property is damaged by accidental or natural causes during the Covenant period, the Owner will inform the Local Historic Preservation Office in writing of the damage of the Property, including (1) an assessment of the nature and extent of the damage; and (2) an estimate of the cost of restoration or reconstruction work necessary to return the Property to the condition existing at the time of project completion. In order to maintain the tax exemption, the Owner shall complete the restoration or reconstruction work necessary to return the Property to the condition existing at the time of project completion on a time schedule agreed upon by the Owner and the Local Historic Preservation Office.

7. If the Property has been destroyed or severely damaged by accidental or natural causes, that is, if the historical integrity of the features, materials, appearance, workmanship, and

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environment, or archaeological integrity which made the property eligible for listing in the National Register of Historic Places or designation under the terms of the local preservation ordinance have been lost or so damaged that restoration is not feasible, the Owner will notify the Local Historic Preservation Office in writing of the loss. The Local Historic Preservation Office will evaluate the information provided and notify the Owner in writing of its determination regarding removal of the Property from eligibility for tax exemption.

If the Local Historic Preservation Office determines that the property should be removed from eligibility for tax exemption, it will notify the Property Appraiser of the county in which the Property is located in writing so that the tax exemption can be cancelled for the remainder of the Covenant period. In such cases, no penalty or interest shall be assessed against the Owner.

8. If it appears that the historical integrity of the features, materials, appearance, workmanship, and environment, or archaeological integrity which made the Property eligible for listing in the National Register of Historic Places or designation under the terms of the local preservation ordinance have been lost or damaged deliberately or through gross negligence of the Owner, the Local Historic Preservation Office shall notify the Owner in writing. The Owner shall have 30 days to respond indicating any extenuating circumstances which show that the damage was not deliberate or due to gross negligence.

If the Owner cannot show such extenuating circumstances, he shall develop a plan for restoration of the Property and a schedule for completion of the restoration. In order to maintain the tax exemption, the Owner shall complete the restoration work necessary to return the Property to the condition existing at the time of project completion on a time schedule agreed upon by the Owner and the Local Historic Preservation Office. If the owner does not complete the restoration work on the agreed upon time schedule, the Local Historic Preservation Office will report such violation to the Property Appraiser and Tax Collector who

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shall take action pursuant to s.196.1997 (7), F.S. The Owner shall be required to pay the difference between the total amount of taxes which would have been due in March in each of the previous years in which the Covenant was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in s.212.12(3),F.S.

9. The terms of this Covenant shall be binding on the current Property owner, transferees, and their heirs, successors, or assigns.

This Covenant shall be enforceable in specific performance by a court of competent jurisdiction.

OWNER(S):

Fontainebleau Florida  
Hotel LLC.

Jeffrey Saffer  
Name JS

Signature

6/11/13  
Date

Name

Signature

Date

CERTIFIED LOCAL GOVERNMENT REPRESENTATIVE:

Kathleen Slesnick Kauffman  
Name

Signature

6/11/13  
Date

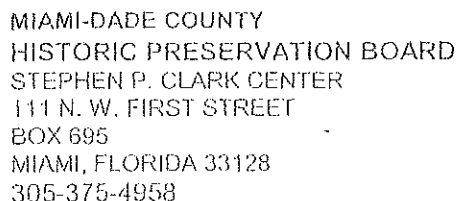
Miami-Dade County Historic Preservation Chief  
Title

COUNTY REPRESENTATIVE:

Carlos A. Gimenez, Mayor

Signature

Date



CFN 2012RD449759  
DR Bk 28164 Pgs 1044 - 1046; (3pgs)  
RECORDED 06/26/2012 13:31:04  
HARVEY RUVIN, CLERK OF COURT  
MIAMI-DADE COUNTY, FLORIDA

## Resolution # 2011-09

4441 COLLINS AVENUE  
CITY OF MIAMI BEACH, FLORIDA  
THE FONTAINEBLEU HOTEL

WHEREAS, the Miami-Dade Historic Preservation Board has determined that the property located at 4441 Collins Avenue, FL, also known as The Fontainebleu Hotel, is of architectural and historic significance; and

WHEREAS, the Fontainebleu Hotel is listed in the National Register of Historic Places, and is a contributing property within the Morris Lapidus Mid-Century Local Historic District; and

WHEREAS, the improvements to the historic portions of the property have met the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of this Board; and

WHEREAS, the property's legal description and folio number is the following:

LEGAL DESCRIPTION: INDIAN BEACH CORP AMD PL PB 8-61 LOT A & LOTS 1 & 2  
& S1/2 OF LOT 3 & THAT PORT OF 44 ST DESC BEG NW COR OF R P VAN CAMP TH S  
07 DEG W 125FT N 82 DEG W 60FT N 07 DEG E 15FT NWLY AD 78.54FTN

FOLIO NUMBER: 02-3223-002-0010

NOW, THEREFORE LET IT BE RESOLVED, that the Historic Preservation Board on April 20, 2011, voted to approve the Ad Valorem Tax Exemption for 4441 Collins Avenue, Miami Beach, FL, and, therefore, recommends to the Board of County Commissioners of Miami-Dade County, Florida, that the property receive the tax exemption for historic properties for the County's portion of the millage pursuant to 16A-18 Miami-Dade County Code. This recommendation has been conditioned upon the following which were presented to and approved by the Board:





MIAMI-DADE COUNTY  
HISTORIC PRESERVATION BOARD  
STEPHEN P. CLARK CENTER  
111 N. W. FIRST STREET  
BOX 695  
MIAMI, FLORIDA 33128  
305-375-4958

Resolution # 2011-09

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1. That the tax exemption calculation focuses on the restoration work to the two historic buildings, the original Morris Lapidus building and the North Tower, and the rehabilitative work found therein, in accordance with the reviews done by the Miami Beach Planning Department, and does not extend to other portions of the current Fontainebleau property, including new construction and auxiliary buildings.

Mitch Novick, Chair  
Miami-Dade County Historic Preservation Board

4/20/11  
Date

Prepared by:

Kathleen Kauffman, Chief  
Office of Historic Preservation

<u>Board Members</u>	<u>Vote</u>
Ruth Campbell	YES
Adriana Cantillo	YES
Roger Carlton	NO
Rick Cohen	YES
Paul George	ABSENT
Hyacinth O. Johnson	ABSENT
Robert McKinney	YES
Mitch S. Novick, Chair	YES
Edmundo Perez	YES
JoEllen Phillips	YES
Enid C. Pinkney	YES